

ASSEMBLY, No. 3867

STATE OF NEW JERSEY

218th LEGISLATURE

INTRODUCED MAY 7, 2018

Sponsored by:

Assemblywoman SERENA DIMASO

District 13 (Monmouth)

Assemblyman ROBERT D. CLIFTON

District 12 (Burlington, Middlesex, Monmouth and Ocean)

Assemblyman ANDREW ZWICKER

District 16 (Hunterdon, Mercer, Middlesex and Somerset)

Co-Sponsored by:

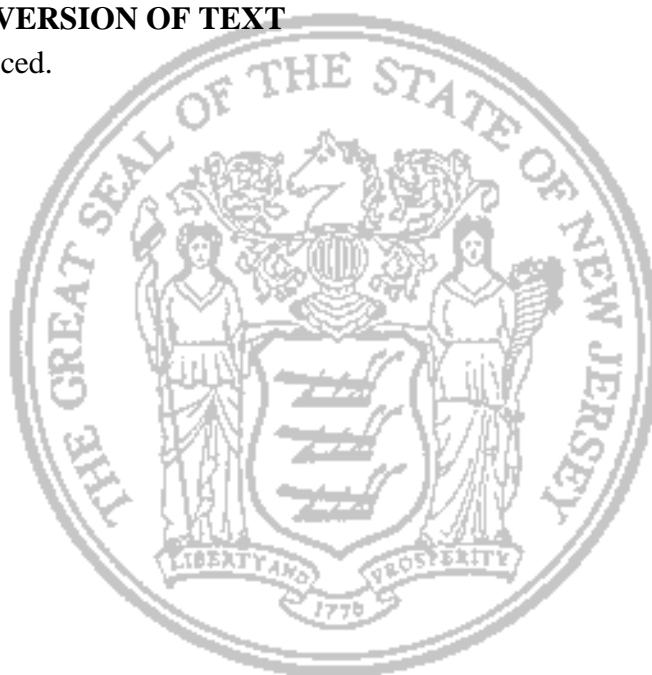
Assemblyman Holley, Assemblywomen Carter, Murphy, Assemblyman Giblin, Assemblywoman Chaparro and Assemblyman Dancer

SYNOPSIS

Establishes license to allow wineries that produce more than 250,000 gallons per year to directly ship wine to consumers.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 11/19/2019)

1 AN ACT concerning direct shipment of wine and amending
2 R.S.33:1-10.

3

4 **BE IT ENACTED** *by the Senate and General Assembly of the State*
5 *of New Jersey:*

6

7 1. R.S.33:1-10 is amended to read as follows:

8 33:1-10. Class A licenses shall be subdivided and classified as
9 follows:

10 Plenary brewery license. 1a. The holder of this license shall be
11 entitled, subject to rules and regulations, to brew any malt alcoholic
12 beverages and to sell and distribute his products to wholesalers and
13 retailers licensed in accordance with this chapter, and to sell and
14 distribute without this State to any persons pursuant to the laws of
15 the places of such sale and distribution, and to maintain a
16 warehouse; provided, however, that the delivery of this product by
17 the holder of this license to retailers licensed under this title shall be
18 from inventory in a warehouse located in this State which is
19 operated under a plenary brewery license. The fee for this license
20 shall be \$10,625.

21 Limited brewery license. 1b. The holder of this license shall be
22 entitled, subject to rules and regulations, to brew any malt alcoholic
23 beverages in a quantity to be expressed in said license, dependent
24 upon the following fees and not in excess of 300,000 barrels of 31
25 fluid gallons capacity per year and to sell and distribute this product
26 to wholesalers and retailers licensed in accordance with this
27 chapter, and to sell and distribute without this State to any persons
28 pursuant to the laws of the places of such sale and distribution, and
29 to maintain a warehouse; provided, however, that the delivery of
30 this product by the holder of this license to retailers licensed under
31 this title shall be from inventory in a warehouse located in this State
32 which is operated under a limited brewery license. The holder of
33 this license shall be entitled to sell this product at retail to
34 consumers on the licensed premises of the brewery for consumption
35 on the premises, but only in connection with a tour of the brewery,
36 or for consumption off the premises in a quantity of not more than
37 15.5 fluid gallons per person, and to offer samples for sampling
38 purposes only pursuant to an annual permit issued by the director.
39 The holder of this license shall not sell food or operate a restaurant
40 on the licensed premises. The fee for this license shall be graduated
41 as follows:

42 to so brew not more than 50,000 barrels of 31 liquid gallons
43 capacity per annum, \$1,250;

44 to so brew not more than 100,000 barrels of 31 fluid gallons
45 capacity per annum, \$2,500;

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is
not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

1 to so brew not more than 200,000 barrels of 31 fluid gallons
2 capacity per annum, \$5,000;

3 to so brew not more than 300,000 barrels of 31 fluid gallons
4 capacity per annum, \$7,500.

5 For the purposes of this subsection, "sampling" means the selling
6 at a nominal charge or the gratuitous offering of an open container
7 not exceeding four ounces of any malt alcoholic beverage. For the
8 purposes of this subsection, "product" means any malt alcoholic
9 beverage that is produced on the premises licensed under this
10 subsection.

11 Restricted brewery license. 1c. The holder of this license shall
12 be entitled, subject to rules and regulations, to brew any malt
13 alcoholic beverages in a quantity to be expressed in such license not
14 in excess of 10,000 barrels of 31 gallons capacity per year.
15 Notwithstanding the provisions of R.S.33:1-26, the director shall
16 issue a restricted brewery license only to a person or an entity
17 which has identical ownership to an entity which holds a plenary
18 retail consumption license issued pursuant to R.S.33:1-12, provided
19 that such plenary retail consumption license is operated in
20 conjunction with a restaurant regularly and principally used for the
21 purpose of providing meals to its customers and having adequate
22 kitchen and dining room facilities, and that the licensed restaurant
23 premises is immediately adjoining the premises licensed under this
24 subsection. The holder of this license shall be entitled to sell or
25 deliver the product to that restaurant premises. The holder of this
26 license also shall be entitled to sell and distribute the product to
27 wholesalers licensed in accordance with this chapter. The fee for
28 this license shall be \$1,250, which fee shall entitle the holder to
29 brew up to 1,000 barrels of 31 liquid gallons per annum. The
30 licensee also shall pay an additional \$250 for every additional 1,000
31 barrels of 31 fluid gallons produced. The fee shall be paid at the
32 time of application for the license, and additional payments based
33 on barrels produced shall be paid within 60 days following the
34 expiration of the license term upon certification by the licensee of
35 the actual gallons brewed during the license term. No more than 10
36 restricted brewery licenses shall be issued to a person or entity
37 which holds an interest in a plenary retail consumption license. If
38 the governing body of the municipality in which the licensed
39 premises will be located should file a written objection, the director
40 shall hold a hearing and may issue the license only if the director
41 finds that the issuance of the license will not be contrary to the
42 public interest. All fees related to the issuance of both licenses shall
43 be paid in accordance with statutory law. The provisions of this
44 subsection shall not be construed to limit or restrict the rights and
45 privileges granted by the plenary retail consumption license held by
46 the holder of the restricted brewery license issued pursuant to this
47 subsection.

48 The holder of this license shall be entitled to offer samples of its
49 product for promotional purposes at charitable or civic events off

1 the licensed premises pursuant to an annual permit issued by the
2 director.

3 For the purposes of this subsection, "sampling" means the selling
4 at a nominal charge or the gratuitous offering of an open container
5 not exceeding four ounces of any malt alcoholic beverage product.
6 For the purposes of this subsection, "product" means any malt
7 alcoholic beverage that is produced on the premises licensed under
8 this subsection.

9 Plenary winery license. 2a. Provided that the holder is
10 engaged in growing and cultivating grapes or fruit used in the
11 production of wine on at least three acres on, or adjacent to, the
12 winery premises, the holder of this license shall be entitled, subject
13 to rules and regulations, to produce any fermented wines, and to
14 blend, fortify and treat wines, and to sell and distribute his products
15 to wholesalers licensed in accordance with this chapter and to
16 churches for religious purposes, and to sell and distribute without
17 this State to any persons pursuant to the laws of the places of such
18 sale and distribution, and to maintain a warehouse, and to sell his
19 products at retail to consumers on the licensed premises of the
20 winery for consumption on or off the premises and to offer samples
21 for sampling purposes only. The fee for this license shall be \$938.
22 A holder of this license who produces not more than 250,000
23 gallons per year shall also have the right to sell and distribute his
24 products to retailers licensed in accordance with this chapter, except
25 that the holder of this license shall not use a common carrier for
26 such distribution. The fee for this additional privilege shall be
27 graduated as follows: a licensee who manufactures more than
28 150,000 gallons, but not in excess of 250,000 gallons per annum,
29 \$1,000; a licensee who manufactures more than 100,000 gallons,
30 but not in excess of 150,000 gallons per annum, \$500; a licensee
31 who manufactures more than 50,000 gallons, but not in excess of
32 100,000 gallons per annum, \$250; a licensee who manufactures
33 50,000 gallons or less per annum, \$100. A holder of this license
34 who produces not more than 250,000 gallons per year shall have the
35 right to sell such wine at retail in original packages in 15
36 salesrooms apart from the winery premises for consumption on or
37 off the premises and for sampling purposes for consumption on the
38 premises, at a fee of \$250 for each salesroom. Licensees shall not
39 jointly control and operate salesrooms. Additionally, the holder of
40 this license who produces not more than 250,000 gallons per year
41 may ship not more than 12 cases of wine per year, subject to
42 regulation, to any person within or without this State over 21 years
43 of age for personal consumption and not for resale. A case of wine
44 shall not exceed a maximum of nine liters. A copy of the original
45 invoice shall be available for inspection by persons authorized to
46 enforce the alcoholic beverage laws of this State for a minimum
47 period of three years at the licensed premises of the winery. For the
48 purposes of this subsection, "sampling" means the selling at a

1 nominal charge or the gratuitous offering of an open container not
2 exceeding one and one-half ounces of any wine.

3 A holder of this license who produces not more than 250,000
4 gallons per year shall not own, either in whole or in part, or hold,
5 either directly or indirectly, any interest in a winery that produces
6 more than 250,000 gallons per year. In addition, a holder of this
7 license who produces more than 250,000 gallons per year shall not
8 own, either in whole or in part, or hold, either directly or indirectly,
9 any interest in a winery that produces not more than 250,000
10 gallons per year. For the purposes of this subsection, "product"
11 means any wine that is produced, blended, fortified, or treated by
12 the licensee on its licensed premises situated in the State of New
13 Jersey. For the purposes of this subsection, "wine" shall include
14 "hard cider" and "mead" as defined in this section.

15 Farm winery license. 2b. The holder of this license shall be
16 entitled, subject to rules and regulations, to manufacture any
17 fermented wines and fruit juices in a quantity to be expressed in
18 said license, dependent upon the following fees and not in excess of
19 50,000 gallons per year and to sell and distribute his products to
20 wholesalers and retailers licensed in accordance with this chapter
21 and to churches for religious purposes and to sell and distribute
22 without this State to any persons pursuant to the laws of the places
23 of such sale and distribution, and to maintain a warehouse and to
24 sell at retail to consumers for consumption on or off the licensed
25 premises and to offer samples for sampling purposes only. The
26 license shall be issued only when the winery at which such
27 fermented wines and fruit juices are manufactured is located and
28 constructed upon a tract of land exclusively under the control of the
29 licensee, provided that the licensee is actively engaged in growing
30 and cultivating an area of not less than three acres on or adjacent to
31 the winery premises and on which are growing grape vines or fruit
32 to be processed into wine or fruit juice; and provided, further, that
33 for the first five years of the operation of the winery such fermented
34 wines and fruit juices shall be manufactured from at least 51
35 percent grapes or fruit grown in the State and that thereafter they
36 shall be manufactured from grapes or fruit grown in this State at
37 least to the extent required for labeling as "New Jersey Wine" under
38 the applicable federal laws and regulations. The containers of all
39 wine sold to consumers by such licensee shall have affixed a label
40 stating such information as shall be required by the rules and
41 regulations of the Director of the Division of Alcoholic Beverage
42 Control. The fee for this license shall be graduated as follows: to so
43 manufacture between 30,000 and 50,000 gallons per annum, \$375;
44 to so manufacture between 2,500 and 30,000 gallons per annum,
45 \$250; to so manufacture between 1,000 and 2,500 gallons per
46 annum, \$125; to so manufacture less than 1,000 gallons per annum,
47 \$63. No farm winery license shall be held by the holder of a plenary
48 winery license or be situated on a premises licensed as a plenary
49 winery.

1 The holder of this license shall also have the right to sell and
2 distribute his products to retailers licensed in accordance with this
3 chapter, except that the holder of this license shall not use a
4 common carrier for such distribution. The fee for this additional
5 privilege shall be \$100. The holder of this license shall have the
6 right to sell his products in original packages at retail to consumers
7 in 15 salesrooms apart from the winery premises for consumption
8 on or off the premises, and for sampling purposes for consumption
9 on the premises, at a fee of \$250 for each salesroom. Licensees
10 shall not jointly control and operate salesrooms. Additionally, the
11 holder of this license may ship not more than 12 cases of wine per
12 year, subject to regulation, to any person within or without this
13 State over 21 years of age for personal consumption and not for
14 resale. A case of wine shall not exceed a maximum of nine liters. A
15 copy of the original invoice shall be available for inspection by
16 persons authorized to enforce the alcoholic beverage laws of this
17 State for a minimum period of three years at the licensed premises
18 of the winery. For the purposes of this subsection, "sampling"
19 means the selling at a nominal charge or the gratuitous offering of
20 an open container not exceeding one and one-half ounces of any
21 wine.

22 A holder of this license who produces not more than 250,000
23 gallons per year shall not own, either in whole or in part, or hold,
24 either directly or indirectly, any interest in a winery that produces
25 more than 250,000 gallons per year.

26 Unless otherwise indicated, for the purposes of this subsection,
27 with respect to farm winery licenses, "manufacture" means the
28 vinification, aging, storage, blending, clarification, stabilization and
29 bottling of wine or juice from New Jersey fruit to the extent
30 required by this subsection.

31 For the purposes of this subsection, "wine" shall include "hard
32 cider" and "mead" as defined in this section.

33 Wine blending license. 2c. The holder of this license shall be
34 entitled, subject to rules and regulations, to blend, treat, mix, and
35 bottle fermented wines and fruit juices with non-alcoholic
36 beverages, and to sell and distribute his products to wholesalers and
37 retailers licensed in accordance with this chapter, and to sell and
38 distribute without this State to any persons pursuant to the laws of
39 the places of such sale and distribution, and to maintain a
40 warehouse. The fee for this license shall be \$625.

41 For the purposes of this subsection, "wine" shall include "hard
42 cider" and "mead" as defined in this section.

43 Instructional winemaking facility license. 2d. The holder of
44 this license shall be entitled, subject to rules and regulations, to
45 instruct persons in and provide them with the opportunity to
46 participate directly in the process of winemaking and to directly
47 assist such persons in the process of winemaking while in the
48 process of instruction on the premises of the facility. The holder of
49 this license also shall be entitled to manufacture wine on the

1 premises not in excess of an amount of 10 percent of the wine
2 produced annually on the premises of the facility, which shall be
3 used only to replace quantities lost or discarded during the
4 winemaking process, to maintain a warehouse, and to offer samples
5 produced by persons who have received instruction in winemaking
6 on the premises by the licensee for sampling purposes only on the
7 licensed premises for the purpose of promoting winemaking for
8 personal or household use or consumption. Wine produced on the
9 premises of an instructional winemaking facility shall be used,
10 consumed or disposed of on the facility's premises or distributed
11 from the facility's premises to a person who has participated
12 directly in the process of winemaking for the person's personal or
13 household use or consumption. The holder of this license may sell
14 mercantile items traditionally associated with winemaking and
15 novelty wearing apparel identified with the name of the
16 establishment licensed under the provisions of this section. The
17 holder of this license may use the licensed premises for an event or
18 affair, including an event or affair at which a plenary retail
19 consumption licensee serves alcoholic beverages in compliance
20 with all applicable statutes and regulations promulgated by the
21 director. The fee for this license shall be \$1,000. For the purposes
22 of this subsection, "sampling" means the gratuitous offering of an
23 open container not exceeding one and one-half ounces of any wine.

24 For the purposes of this subsection, "wine" shall include "hard
25 cider" and "mead" as defined in this section.

26 Out-of-State winery license. 2e. Provided that the applicant
27 does not produce more than 250,000 gallons of wine per year, the
28 holder of a valid winery license issued in any other state may make
29 application to the director for this license. The holder of this license
30 shall have the right to sell and distribute his products to wholesalers
31 licensed in accordance with this chapter and to sell such wine at
32 retail in original packages in 16 salesrooms apart from the winery
33 premises for consumption on or off the premises at a fee of \$250 for
34 each salesroom. Licensees shall not jointly control and operate
35 salesrooms. The annual fee for this license shall be \$938. A copy
36 of a current license issued by another state shall accompany the
37 application. The holder of this license also shall have the right to
38 sell and distribute his products to retailers licensed in accordance
39 with this chapter, except that the holder of this license shall not use
40 a common carrier for such distribution. The fee for this additional
41 privilege shall be graduated as follows: a licensee who
42 manufactures more than 150,000 gallons, but not in excess of
43 250,000 gallons per annum, \$1,000; a licensee who manufactures
44 more than 100,000 gallons, but not in excess of 150,000 gallons per
45 annum, \$500; a licensee who manufactures more than 50,000
46 gallons, but not in excess of 100,000 gallons per annum, \$250; a
47 licensee who manufactures 50,000 gallons or less per annum, \$100.
48 Additionally, the holder of this license may ship not more than 12
49 cases of wine per year, subject to regulation, to any person within or

1 without this State over 21 years of age for personal consumption
2 and not for resale. A case of wine shall not exceed a maximum of
3 nine liters. A copy of the original invoice shall be available for
4 inspection by persons authorized to enforce the alcoholic beverage
5 laws of this State for a minimum period of three years at the
6 licensed premises of the winery.

7 The licensee shall collect from the customer the tax due on the
8 sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30
9 (C.54:32B-1 et seq.) and shall pay the tax due on the delivery of
10 alcoholic beverages pursuant to the "Alcoholic beverage tax law,"
11 R.S.54:41-1 et seq. The Director of the Division of Taxation in the
12 Department of the Treasury shall promulgate such rules and
13 regulations necessary to effectuate the provisions of this paragraph,
14 and may provide by regulation for the co-administration of the tax
15 due on the delivery of alcoholic beverages pursuant to the
16 "Alcoholic beverage tax law," R.S.54:41-1 et seq. with the
17 administration of the tax due on the sale pursuant to the "Sales and
18 Use Tax Act," P.L.1966, c.30 (C.54:32B-1 et seq.).

19 A holder of this license who produces not more than 250,000
20 gallons per year shall not own, either in whole or in part, or hold,
21 either directly or indirectly, any interest in a winery that produces
22 more than 250,000 gallons per year.

23 For the purposes of this subsection, "wine" shall include "hard
24 cider" and "mead" as defined in this section.

25 Cidery and meadery license. 2f. The holder of this license
26 shall be entitled, subject to rules and regulations, to manufacture
27 hard cider and mead and to sell and distribute these products to
28 wholesalers and retailers licensed in accordance with this chapter,
29 and to sell and distribute without this State to any persons pursuant
30 to the laws of the places of such sale and distribution, and to
31 maintain a warehouse. The holder of this license shall be entitled to
32 sell these products at retail to consumers on the licensed premises
33 for consumption on or off the premises and to offer samples for
34 sampling purposes only. The holder of this license shall be
35 permitted to offer for sale or make the gratuitous offering of
36 packaged crackers, chips, nuts, and similar snacks to consumers, but
37 shall not operate a restaurant on the licensed premises. The fee for
38 this license shall be \$938.

39 The holder of this license shall be entitled to manufacture hard
40 cider in a quantity not to exceed 50,000 barrels of 31 fluid gallons
41 capacity per year. With respect to the sale and distribution of hard
42 cider to a wholesaler, the licensee shall be subject to the same
43 statutory and regulatory requirements as a brewer, and hard cider
44 shall be considered a malt alcoholic beverage, for the purposes of
45 the "Malt Alcoholic Beverage Practices Act," P.L.2005, c.243
46 (C.33:1-93.12 et seq.). The holder of this license shall not directly
47 ship hard cider either within or without this State.

48 The holder of this license shall be entitled to manufacture not
49 more than 250,000 gallons of mead per year. The holder of this

1 license may ship not more than 12 cases of mead per year, subject
2 to regulation, to any person within or without this State over 21
3 years of age for personal consumption and not for resale. A case of
4 mead shall not exceed a maximum of nine liters. A copy of the
5 original invoice shall be available for inspection by persons
6 authorized to enforce the alcoholic beverage laws of this State for a
7 minimum period of three years at the licensed premises. As used in
8 this subsection:

9 "Hard cider" means a fermented alcoholic beverage derived
10 primarily from apples, pears, apple juice concentrate and water, or
11 pear juice concentrate and water, which may include spices, herbs,
12 honey, or other flavoring, and which contains at least one half of
13 one percent but less than eight and one half percent alcohol by
14 volume.

15 "Mead" means an alcoholic beverage primarily made from
16 honey, water, and yeast, and which may contain fruit, fruit juices,
17 spices, or herbs added before or after fermentation has completed,
18 except that the ratio of fermentable sugars from fruit or fruit juices
19 shall not exceed 49 percent of the total fermentable sugars used to
20 produce mead.

21 "Sampling" means the selling at a nominal charge or the
22 gratuitous offering of an open container not exceeding four ounces
23 of hard cider or mead produced on the licensed premises.

24 Direct wine shipping license. 2g. The holder of a valid winery
25 license issued in this State or any other state who owns, either in
26 whole or in part, or holds, either directly or indirectly, any interest
27 in a winery that produces more than 250,000 gallons per year may
28 make application to the director for this license. The annual fee for
29 this license shall be \$938. A winery licensee operating in another
30 State shall include a copy of a current license in the application.
31 The holder of this license may ship not more than 12 cases of wine
32 per year, subject to regulation, to any person within or without this
33 State over 21 years of age for personal consumption and not for
34 resale. A case of wine shall not exceed a maximum of nine liters. A
35 copy of the original invoice shall be available for inspection by
36 persons authorized to enforce the alcoholic beverage laws of this
37 State for a minimum period of three years at the licensed premises
38 of the winery.

39 The licensee shall collect from the customer the tax due on the
40 sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30
41 (C.54:32B-1 et seq.) and shall pay the tax due on the delivery of
42 alcoholic beverages pursuant to the "Alcoholic beverage tax law,"
43 R.S.54:41-1 et seq. The Director of the Division of Taxation in the
44 Department of the Treasury shall promulgate rules and regulations
45 necessary to effectuate the provisions of this paragraph, and may
46 provide by regulation for the co-administration of the tax due on the
47 delivery of alcoholic beverages pursuant to the "Alcoholic beverage
48 tax law," R.S.54:41-1 et seq. with the administration of the tax due

1 on the sale pursuant to the "Sales and Use Tax Act," P.L.1966, c.30
2 (C.54:32B-1 et seq.).

3 Plenary distillery license. 3a. The holder of this license shall be
4 entitled, subject to rules and regulations, to manufacture any
5 distilled alcoholic beverages and rectify, blend, treat and mix, and
6 to sell and distribute his products to wholesalers and retailers
7 licensed in accordance with this chapter, and to sell and distribute
8 without this State to any persons pursuant to the laws of the places
9 of such sale and distribution, and to maintain a warehouse. The fee
10 for this license shall be \$12,500.

11 Limited distillery license. 3b. The holder of this license shall
12 be entitled, subject to rules and regulations, to manufacture and
13 bottle any alcoholic beverages distilled from fruit juices and rectify,
14 blend, treat, mix, compound with wine and add necessary
15 sweetening and flavor to make cordial or liqueur, and to sell and
16 distribute to wholesalers and retailers licensed in accordance with
17 this chapter, and to sell and distribute without this State to any
18 persons pursuant to the laws of the places of such sale and
19 distribution and to warehouse these products. The fee for this
20 license shall be \$3,750.

21 Supplementary limited distillery license. 3c. The holder of this
22 license shall be entitled, subject to rules and regulations, to bottle
23 and rebottle, in a quantity to be expressed in said license, dependent
24 upon the following fees, alcoholic beverages distilled from fruit
25 juices by such holder pursuant to a prior plenary or limited distillery
26 license, and to sell and distribute his products to wholesalers and
27 retailers licensed in accordance with this chapter, and to sell and
28 distribute without this State to any persons pursuant to the laws of
29 the places of such sale and distribution, and to maintain a
30 warehouse. The fee for this license shall be graduated as follows:
31 to so bottle and rebottle not more than 5,000 wine gallons per
32 annum, \$313; to so bottle and rebottle not more than 10,000 wine
33 gallons per annum, \$625; to so bottle and rebottle without limit as
34 to amount, \$1,250.

35 Craft distillery license. 3d. The holder of this license shall be
36 entitled, subject to rules and regulations, to manufacture not more
37 than 20,000 gallons of distilled alcoholic beverages, to rectify,
38 blend, treat and mix distilled alcoholic beverages, to sell and
39 distribute this product to wholesalers and retailers licensed in
40 accordance with this chapter, and to sell and distribute without this
41 State to any persons pursuant to the laws of the places of such sale
42 and distribution, and to maintain a warehouse. The holder of this
43 license shall be entitled to sell this product at retail to consumers on
44 the licensed premises of the distillery for consumption on the
45 premises, but only in connection with a tour of the distillery, and
46 for consumption off the premises in a quantity of not more than five
47 liters per person. In addition, the holder of this license may offer
48 any person not more than three samples per calendar day for
49 sampling purposes only. For the purposes of this subsection,

1 "sampling" means the gratuitous offering of an open container not
2 exceeding one-half ounce serving of distilled alcoholic beverage
3 produced on the distillery premises. Nothing in this subsection shall
4 be deemed to permit the direct shipment of distilled spirits either
5 within or without this State.

6 The holder of this license shall not sell food or operate a
7 restaurant on the licensed premises. A holder of this license who
8 certifies that not less than 51 percent of the raw materials used in
9 the production of distilled alcoholic beverages under this section are
10 grown in this State or purchased from providers located in this State
11 may, consistent with all applicable federal laws and regulations,
12 label these distilled alcoholic beverages as "New Jersey Distilled."
13 The fee for this license shall be \$938.

14 Rectifier and blender license. 4. The holder of this license
15 shall be entitled, subject to rules and regulations, to rectify, blend,
16 treat and mix distilled alcoholic beverages, and to fortify, blend,
17 and treat fermented alcoholic beverages, and prepare mixtures of
18 alcoholic beverages, and to sell and distribute his products to
19 wholesalers and retailers licensed in accordance with this chapter,
20 and to sell and distribute without this State to any persons pursuant
21 to the laws of the places of such sale and distribution, and to
22 maintain a warehouse. The fee for this license shall be \$7,500.

23 Bonded warehouse bottling license. 5. The holder of this
24 license shall be entitled, subject to rules and regulations, to bottle
25 alcoholic beverages in bond on behalf of all persons authorized by
26 federal and State law and regulations to withdraw alcoholic
27 beverages from bond. The fee for this license shall be \$625. This
28 license shall be issued only to persons holding permits to operate
29 Internal Revenue bonded warehouses pursuant to the laws of the
30 United States.

31 The provisions of section 21 of P.L.2003, c.117 amendatory of
32 this section shall apply to licenses issued or transferred on or after
33 July 1, 2003, and to license renewals commencing on or after July
34 1, 2003.

35 (cf: P.L.2017, c.80, s.1)

36
37 2. This act shall take effect immediately.
38
39

40 STATEMENT

41
42 This bill allows New Jersey wineries and out-of-State wineries
43 that annually produce more than 250,000 gallons to directly ship
44 wine to consumers.

45 Under current law, small plenary wineries that produce 250,000
46 gallons or less per year and farm wineries are permitted to directly
47 ship wine to New Jersey residents and consumers residing in other
48 states. In addition, out-of-State wineries that annually produce
49 250,000 gallons or less may obtain a license to directly ship wine to

A3867 DIMASO, CLIFTON

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1 New Jersey residents. Wineries that produce more than the 250,000
2 gallon capacity cap are currently prohibited from directly shipping
3 wine.

4 This bill establishes a license to allow the holder of a New Jersey
5 winery license or an out-of-State winery that exceeds the 250,000
6 gallon capacity cap to directly ship up to 12 cases of wine annually
7 to any person over the age of 21.